

# THE HUGHES



## REPORT

By Thomas F. Hughes

### YOU CAN BUY A HOUSE

Last week we discussed the advantages of buying a home and this week we discuss some of the financing plans.

**CONVENTIONAL LOAN** — Buyers with good credit and strong employment can usually get a bank loan known as a Conventional Loan. A down payment of 10% to 30% is normally required but the interest rate is low as rates are for the sound solid purchases. The loan is usually paid over a period of 30 years and the monthly payment for principal and interest remains the same. However, most payments require impounds to be collected with the P&I. Impounds are funds collected monthly equalling one-twelfth of your insurance and taxes for that year. If your insurance and taxes are \$360 for the year the loan would have \$30 per month added to your payment. Interest rate in most areas at this writing is 13.09% with 2.4 points for the loan. On a \$50,000 loan this would equal \$1,020.00 which is paid in escrow. (A one-time charge.)

**ADJUSTED RATE MORTGAGE (ARM)** — This loan is subject to increases of your monthly payment based on the current interest rates banks and savings and loans have to pay depositors. If interest rates go up your payment goes up, it also follows that if interest rates go down, your payment goes down. Of course, impound collections are added to this loan as it is added to most loans. The going rate is 11.8% with points added.

**BALLOON PAYMENTS** — Second mortgages or trust deeds will sometimes have small monthly payments barely covering the interest if at all and will have a total balance due at the end of 3 to 5 years. If you cannot pay this balloon payment either through available cash or by refinancing, your home can be foreclosed. If you must have a second mortgage try to get a regular amortized loan with a payment that includes interest and reduction of principal which pays until there is no balance. Interest is negotiable.

**SPECIAL STATE FUNDS** — Loans of this nature are usually from state money, but are difficult to get since the state has limited funds. The current rate is around 9.9%.

**CONTRACT OR GROWING EQUITY LOANS** — Such a loan lets you pay smaller payments that are more than rent would be and the extra funds build an equity. Title is not given until your equity is large enough. There are other forms of growing equity also.

**REVERSE EQUITY** — This loan lets you pay less than interest on the loan. The balance of the interest is added to your loan so you owe more each month. This loan is used when builders or lending institutions have a heavy inventory and must get some property off their hands. It is hoped and planned that you will be able to pay more monthly later on and reverse the equity. This is also called a graduated payment loan.

**EQUITY SHARE** — In this loan the builder, lending institution or another person helps make the down payment and the monthly payments (usually 20%) and when the property is sold the equity

sharer gets 20% of the profit of the sale. Be careful for the contract may require the property to be sold at a given date.

**SUMMARY** — The average house in the U.S.A. is now selling for \$72,000 — a 4.2% increase over a year ago. This is below the average increase which is usually 8%. It is not wise to buy any property on a verbal agreement nor an agreement or option that is not handled by an escrow company or a lawyer — no property should be bought without title insurance. Title insurance guarantees that the deed or title to the property is clear of any encumbrances or liens other than those noted in the agreement to buy. A liability policy should also be obtained in addition to fire policy to protect you against someone being injured on your property — dog bites, swimming pool, etc. Liability is usually included in a homeowners policy which also covers theft, burglary, fire, etc. on your personal property.

### LOW INTEREST MORTGAGE MONEY AVAILABLE

Governor Richard Bryan announced Tuesday that \$37 million in low interest mortgage money is available for first time homebuyers.

The state Board of Finance approved a Nevada Housing Division bond issue with the proceeds dedicated to financing single family mortgages at an interest rate of 10.10 percent.

A July bond issue provided \$50 million at 9.99 percent for Nevada families.

Like that issue, this bond program is limited to low and moderate income first-time home buyers throughout the state.

The listing of participating lending institutions will be announced by Oct. 13 and the \$37 million in available mortgage funds will then be available through these institutions.

Each mortgage must be either an FHA insured or VA guaranteed mortgage. Certain income limits restrict the pool of applicants. These limits, set as a condition of law, are:

No. of Persons in the Household	Maximum Income
1	\$25,620
2	29,298
3	32,940
4	36,600
5 or more	39,162

Any new or existing single-family home (including townhouses and condominiums) in Nevada which does not exceed the current selling price limits is eligible. These limits are:

New	Existing
construction	homes
\$82,500	77,500

"Bond programs like this provide much more than just a first-time home buying opportunity," Governor Bryan said. "They generate construction jobs by creating an increased economic viability for the construction industry."

The state Housing Division has been responsible for bringing more than \$116 million in new capital into Nevada, Governor Bryan said.

### DELTAS SPONSOR TESTING WORKSHOP

A workshop on "Standardized Testing and Cultural Bias" will be held on Saturday, Oct. 29, at 1 p.m. at the UNLV Student Union, Rm. 201.

The presenter will be Dr. Thelma Spencer, Executive Associate for School and College Relations with the Educational Testing Service lo-

cated in Princeton, New Jersey.

Administrators, counselors, teachers, students and the general public are invited to attend.

This free seminar is sponsored by the Las Vegas Alumnae chapter of Delta Sigma Theta Sorority.

### NEVADA'S LARGEST AND MOST COMPLETE BLACK COMMUNITY NEWSPAPER

#### SNEPT Opens New Office In Nucleus Plaza Center

The Southern Nevada Employment and Training Program, formally the CETA Program, proudly announces the opening of another office. This office is located at 928 W. Owens within the Nucleus Plaza Shopping Center. This office is specifically designed to serve the West Las Vegas population.

Applications will be taken Tuesday, Thurs-

day and Fridays from 8 a.m. to 2 p.m. The office will provide an array of services such as:

1. Testing and Assessments
2. Orientation
3. Job Workshops
4. Employment and Training Opportunities
5. Counseling
6. Social Advise ment

The phone number is 646-1880, should you have any inquiries.



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A List of Local Available Black Resources. The Directory Includes The Following:

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- High School Principals
- High School Counselors
- CCSD Central Administrators
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- Sororities
- Transportation
- Nevada State Black Pop. (State, Counties, Places)
- 1980 Population Totals for Black Persons by State
- Black General, Social & Economic Characteristics
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